

Name of Committee: Override Study Committee

Meeting Date: January 15, 2014

Time: 7:00 p.m.

Meeting Location: Town Hall- 5th Floor School Committee Room

Members Present:

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|---|----------------|---|----------------------|---|-------------------------------|
| X | Clifford Brown | X | Kevin Lang | X | Beth Jackson Stram |
| X | Alberto Chang | X | Carol Levin | X | Timothy Sullivan |
| X | Chad Ellis | X | Sergio Modigliani | X | Ann Connolly Tolkoff |
| | Janet Gelbart | X | Lee Selwyn | X | Dick Benka – Co-Chair |
| X | Michael Glover | X | Lisa Serafin Sheehan | X | Susan Wolf Ditkoff – Co-Chair |
| X | Carol Kamin | X | James Stergios | | |

Staff Present: Melissa Goff, Assistant Town Administrator; Sean Cronin, Deputy Town Administrator; Mel Kleckner, Town Administrator; Bill Lupini, Superintendent of Schools

Topic: Approval of minutes

The minutes from 12/18/13 were approved unanimously.

Susan Wolf Ditkoff began the meeting by asking Committee members to report on the emerging set of issues that they are working on. The public hearing will be next week, and they will need to provide a list of topics under consideration. Town and school staff are working on a bridge budget for FY15. Both Mel Kleckner and Bill Lupini will present on the bridge budget tonight. Dick Benka added that the bridge budget does not negate the work of the committee. Many of the issues they are working with are longer-term. They understand that what will be presented at the public hearing are not recommendations, but issues.

Topic: Sub-committee status reports

Lisa Serafin Sheehan reported on the Capital subcommittee's work. Subcommittee presentations can be found here (1-15-14 OSC subcommittee presentations):

http://www.brooklinema.gov/index.php?option=com_docman&Itemid=1797

Sergio Modigliani said that if the numbers are correct they represent what gets raised in property tax for an entire year. He can see why an override would be needed. This assumes 12 classrooms. Lee Selwyn asked about the High School. Sergio responded that the HMFH numbers are still early, but the estimate is currently in the \$40-90M range. They are using \$70M out of the total \$240M identified capital need. The committee discussed the difference between Driscoll as a renovation project vs. as an expansion. Tim Sullivan said that there was capacity in the CIP for the Devotion project, and it has been in the CIP for some time at a total project cost of \$90 million, so the Town has planned for this need. The Committee discussed the capacity at the High School. Jim said that cost per square foot for renovations are about \$200/sq. ft and \$400/sq ft for new construction. Susan reminded members that MSBA reimbursement will change depending on the use of the building. They likely won't partner on something that won't help with the expansion need, and that project would ultimately get moved to the back of the line until the expansion pressure is relieved. Chad Ellis asked if the level of expansion mattered.

Sergio said that it's hard to tell. It has evolved over the years. They don't reimburse everything. Items like auditoriums and structured parking do not get reimbursed. Dick Benka said that the current MSBA limit is \$275/sq ft. Sergio said that this limit was set during a poor economy, and hopes that with construction prices rising that it might change. The subcommittee felt that the important issues for the public hearing were the costs of all of the projects, the timing of a debt exclusion, and the potential use of the Old Lincoln School.

Beth Jackson Stram gave the School Program task force update. They are looking at increasing class size. It would not be a policy change because they are operating below the maximum level set by the School Committee. They are looking at the impact of moving closer to that level. The committee discussed the turnover between grade levels. Dick also mentioned that there are two adults in every kindergarten and first grade. Some of the paras might be certified teachers, and some of the interns have BAs in Education. Kevin Lang said that one thing they can all agree on is that parents like small class sizes. It does attract people and is part of what keeps property values so high. The subcommittee is also looking at the World Language program and if it could be scheduled differently. There is the potential to treat it as a "special". Cliff Brown reminded the committee that these issues haven't been discussed even among the subcommittee. Lisa agreed. These are findings and not recommendations.

Cliff gave the report of the School Population subcommittee. They met with the Recreation Department and they are looking to get the Soule Center to full cost recovery by FY17. The committee discussed the BEEP program and the space implications on the High School. Tim said that any interim plans for the Old Lincoln School should be flagged for the public hearing. Ann Connolly Tolkoff asked about the medical coverage issue for special education. Cliff said it is on the legislative agenda.

Alberto Chang gave an update from the revenue subcommittee. The Committee discussed how the CPA could factor into an override question. What was voted for the CPA plus the State match would reduce the override need.

Carol Levin gave an update from the Fiscal Policies subcommittee. They discussed the proposal to increase borrowing and increase funding for OPEBs using the freed up capacity. Sergio asked how a \$3M payment changes the funding schedule for OPEBs. Kevin responded that they could hit the Annual Required Contribution (ARC) in 6-10 years. This is an arbitrage opportunity. Tim asked how increasing the debt ratio would impact the credit rating. Kevin responded that we are at a lower level than what they typically look for. Tim cautioned that there could be some policy changes that can impact the liability and to be careful before taking on additional debt. Chad thought the scale of what they were looking at was not large enough to be that big of an issue.

Ann presented the Demographic subcommittee's update. Dick asked about Peter Rowe's earlier presentation which showed a consistency in cohort. Have they been able to look at the 5th and 6th grade classes where the growth had started? The committee discussed cohort stability and whether or not it should be given 85% weight. The subcommittee is looking to get more information from MGT.

Michael Glover gave the Municipal Services subcommittee update. Sergio asked about the daycare inspectors and if we get money from the State to provide the service. Lisa asked if the

Mental Health program funding was how some of the school services were provided. There needs to be clarification as to how this money is used. Dick mentioned that the EIC report talked about privatizing the school lunch program. Tim asked what the rationale behind potentially closing the Putterham branch was. Michael responded that the Coolidge Corner branch has a heavier use, and more out of town patrons use the Putterham branch.

Cliff gave the Pension and Benefit update. Most of what they are looking at has a longer term impact.

Topic: Presentation by Town Administrator and Superintendent on a possible bridge budget

Mel Kleckner and Bill Lupini each gave a presentation the the FY15 bridge budget concept. A copy of their presentation can be found here (1-15-14 Town Administrator Bridge Budget Presentation, 1-15-14 School Superintendent Bridge Budget Presentation)

http://www.brooklinema.gov/index.php?option=com_docman&Itemid=1797

Lee asked how this changes the OSC's work. Dick responded that the 3/1 date was for items that may impact the FY15 budget. Lee asked if the committee would have input on the bridge budget. Susan responded that they are on parallel tracks and the work of the OSC has been influencing the FY15 budget. Lee was concerned about being able to prioritize the Committee's work. He would like to see their class size idea piloted so they can see how it would work. Susan said that kind of change requires a longer process and would be made at the School Committee level. Dick said a policy change isn't required since they aren't at the maximum level set by the School Committee. Bill responded that it may not be a policy change, but it still would require an extensive change in process. Chad said that during last year's budget process there were program reductions being proposed and that he is surprised to see pieces of the technology plan in the bridge budget. How does this factor into sustainability? Bill said that it will be a challenge. Mel said that they are still in a concept phase and there are no commitments yet. Chad asked about potential program cuts in other areas. Bill said that the goal is for no program cuts. Sergio said he is glad the bridge budget will provide the time the committee needs to have more conversations about the issues presented tonight. He reminded the committee that the Old Lincoln School will need to be part of the bridge budget. He is concerned about whether or not the funding for technical upgrades to the school will be adequate. Susan asked about the level of reserves and stabilization mentioned in Mel's presentation. Mel said it is at about 10%, the level that the ratings agencies look for. He is not proposing using reserves that could potentially affect the Town's credit rating and borrowing rates.

Dick thanked the committee for their work to date. He and Susan will be preparing a summary of the issues presented tonight in advance of the public hearing.